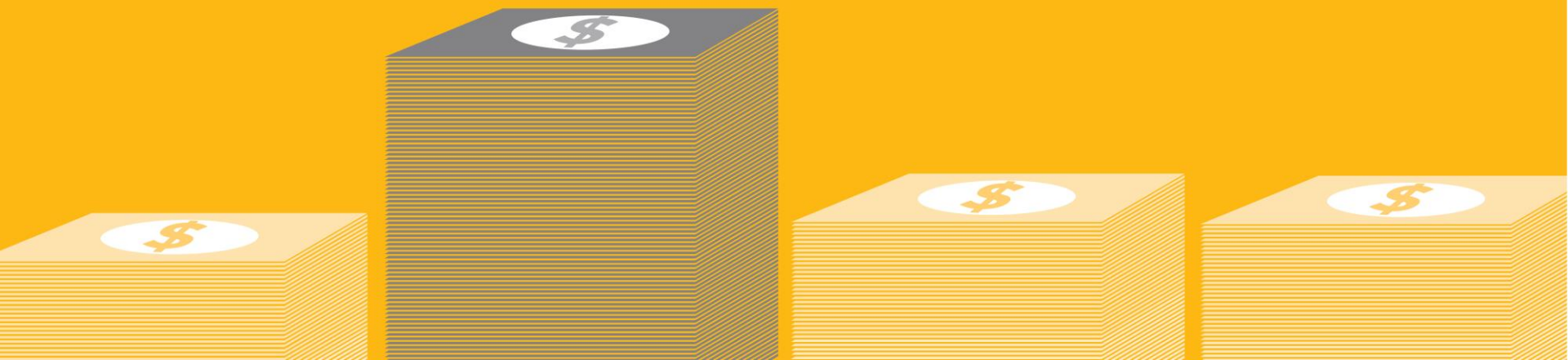




NATIONWIDE RETIREMENT INSTITUTE®

Social Security

The choice of a lifetime



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Today's agenda

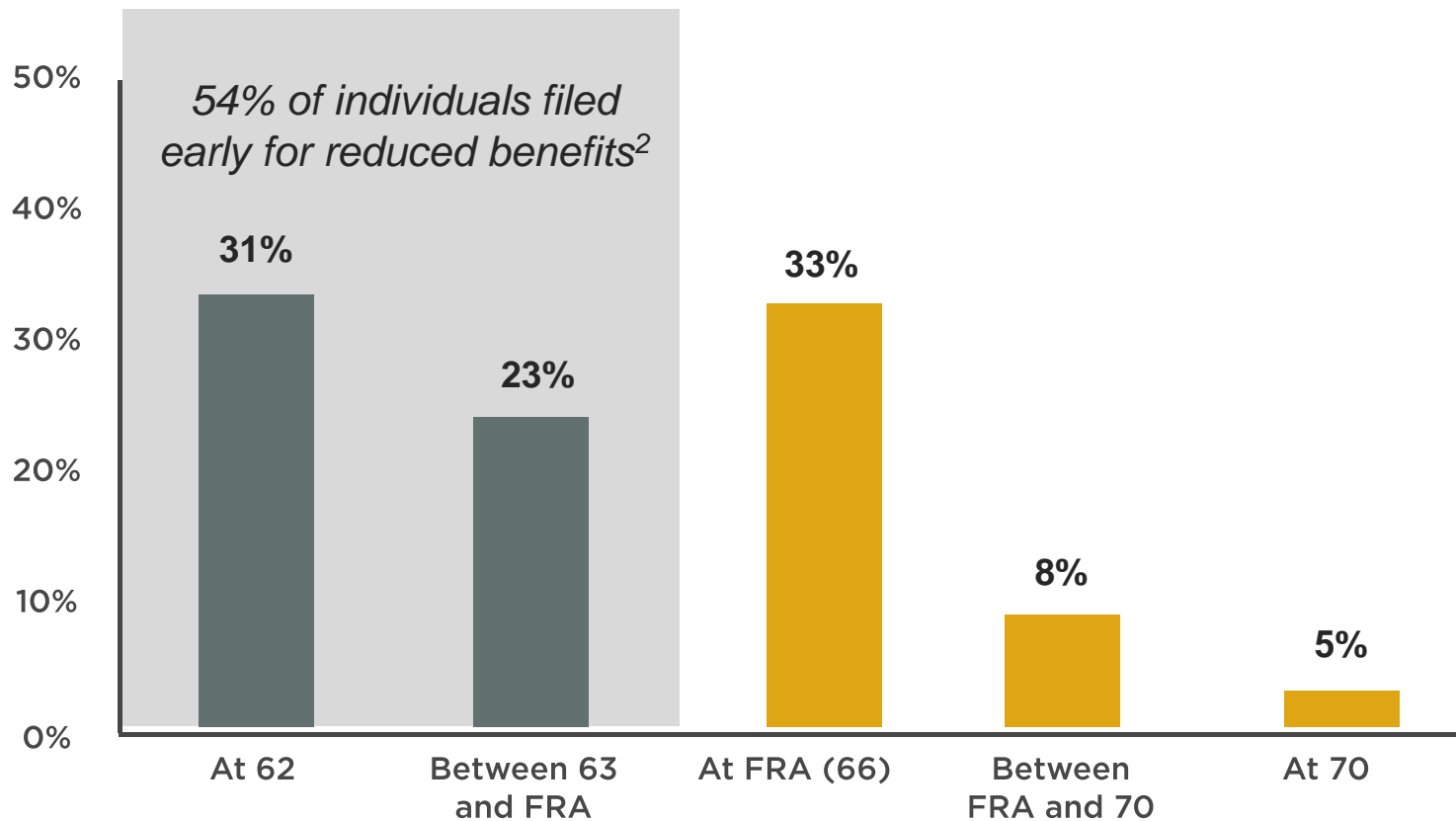
- Social Security – the choice of a lifetime
- Social Security basics
- Managing the discussion

Social Security

— The choice of a lifetime —

Most file at the earliest possible time

New Social Security claimants in a calendar year¹



¹ Source: SS Supplement 2018. Table 6.B5, Social Security Administration, 2017 calendar year. ² FRA = Full retirement age. For this data, FRA is 66.

Average life expectancy and beyond



	AGE 65	AGE 65
50% chance of reaching age	87	89
25% chance of reaching age	93	96

For married couples, there is a 50% chance one spouse will reach age 93

Social Security

— The basics —

What does Social Security offer?

Old Age, Survivors and Disability Insurance (OASDI)

Guaranteed
lifetime income



Survivor benefits

Indexed to
inflation



Preferential
tax treatment

Full Retirement Age

Early				FRA		Delay		
62	63	64	65	66	67	68	69	70

Eligible for 100% of benefits

Birth Year	FRA
1943 - 1954	66
1955	66 + 2 mos.
1956	66 + 4 mos.
1957	66 + 6 mos.
1958	66 + 8 mos.
1959	66 + 10 mos.
1960 - later	67

Primary Insurance Amount (PIA)

- Amount received each month if benefits start at full retirement age (FRA)
- Based on lifetime Social Security earnings adjusted for inflation
 - Average indexed monthly earnings (AIME) over highest 35 years of earnings
 - Benefit reflects a percentage of average monthly earnings
 - High-wage earners receive a smaller percentage than low-wage earners
 - Maximum PIA for 2020 is \$3,011
- Social Security statements available on mySocialSecurity
(Sign up at ssa.gov/myaccount.)

Social Security statement

- Available at ssa.gov/myaccount
 - Create an online profile
 - Paper statements mailed every five years to those between 25 - 60, and annually to those 60+ if you have not signed up online

Social Security statement

Your Earnings Record

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings	Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1973	218	218	1998	30,873	30,873
1974	553	553	1999	32,872	32,872
1975	1,032	1,032	2000	34,902	34,902
1976	1,822	1,822	2001	35,962	35,962
1977	2,561	2,561	2002	36,516	36,516
1978	3,309	3,309	2003	37,589	37,589
1979	4,326	4,326	2004	39,453	39,453
1980	5,868	5,868	2005	40,909	40,909
1981	7,634	7,634	2006	42,753	42,753
1982	9,056	9,056	2007	44,609	44,609
1983	10,416	10,416	2008	45,451	45,451
1984	11,913	11,913	2009	44,401	44,401
1985	13,247	13,247	2010	44,938	44,938
1986	14,370	14,370	2011	45,730	45,730
1987	15,953	15,953	2012	46,289	46,289
1988	17,365	17,365	2013	45,488	45,488
1989	18,617	18,617	2014	45,585	45,585
1990	19,986	19,986	2015	45,468	45,468
1991	21,213	21,213	2016	Not yet recorded	
1992	22,744	22,744			
1993	23,315	23,315			
1994	24,294	24,294			
1995	25,597	25,597			
1996	27,177	27,177			
1997	29,061	29,061			

Total Social Security and Medicare taxes paid over your working career through the last year reported on the chart above:

Estimated taxes paid for Social Security:

You paid: \$63,775

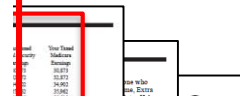
Your employers paid: \$65,651

Estimated taxes paid for Medicare:

You paid: \$15,375

Your employers paid: \$15,375

Earnings

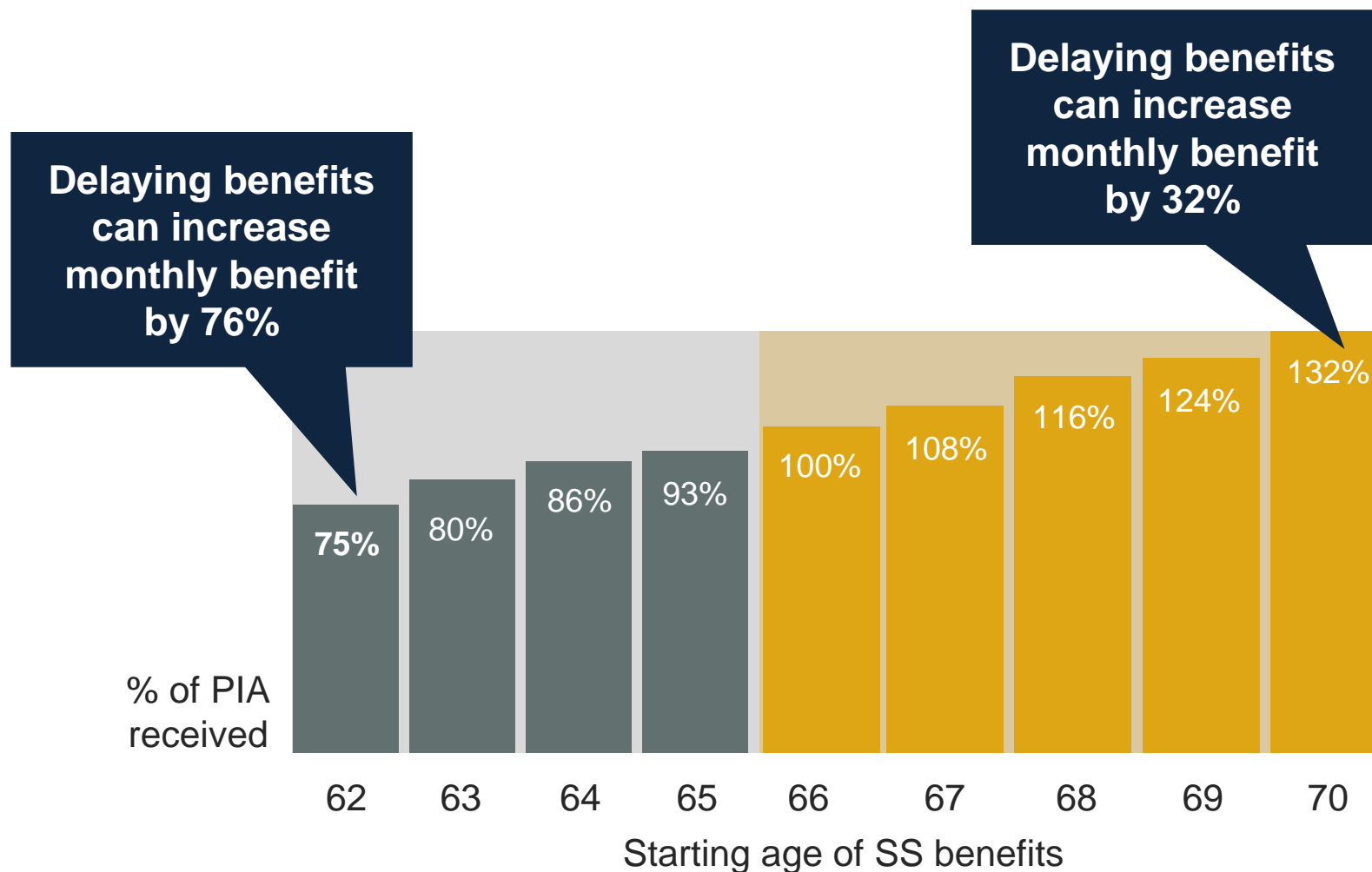


.....\$ 1,827 a month

.....\$ 2,266 a month

.....\$ 1,271 a month

Early and delayed filing affects monthly benefit



Filing rules for different situations



Surviving spouses



Spouses



Divorced spouses



Dependent children



Disabled individuals

Spousal filing rules



Eligibility

- Eligible at 62
- Married for at least one year
- One spouse must file for the other to claim benefits



Benefits

- **Up to 50%** of spouse's PIA

For surviving spouses



Eligibility

- Married for at least 9 months
- Benefits can be taken as early as age 60*
- Currently widowed or remarried after age 60



Benefits

- Up to spouse's PIA including delayed retirement credits earned
- Survivor benefits can be received independent of individual benefits

* Filing from 60 and up to FRA will permanently reduce monthly survivor benefits, but not impact the survivor's own benefits

For divorced spouses



Eligibility

- Married for at least 10 years
- Currently unmarried
- Ex-spouse does not have to file beyond two years after divorce



Benefits

- Spousal, then survivor benefits
- No impact on ex-spouse's benefit
- Not subject to the family maximum

How working impacts Social Security

If under FRA for the full year

- \$1 withheld for every \$2 above annual limit

(\$18,240 or \$1,520/month)

In the year of FRA (Up to FRA month)

- \$1 withheld for every \$3 above annual limit

(\$48,600 or \$4,050/month)

At FRA and beyond

- No limit on earnings
- Withheld earnings are returned

— Managing the —

Social Security discussion

Social Security Assessment



Make an informed Social Security decision

*Your personalized Social Security report, powered by Social Security
Timing® — Compare your options and choose for your future*

Jim & Linda Smith

Trusted Advisor

Tuesday, January 28, 2020

Report Number 625348

Important Information About This Report

This report is being provided for informational purposes only and should not be construed as investment, tax, or legal advice or a solicitation to buy or sell any specific securities product. You should work closely with your financial professional to develop a plan that incorporates your investment objectives, goals, risk tolerance and time horizons based on your specific situation. This report relies upon the accuracy of the data you provide and is an estimate of the social security benefit you may receive which will differ from the actual benefit amount you receive at the time of application with the Social Security Administration. The information provided is based on current laws which are subject to change at any time. This report has not been reviewed or endorsed by any government agency.

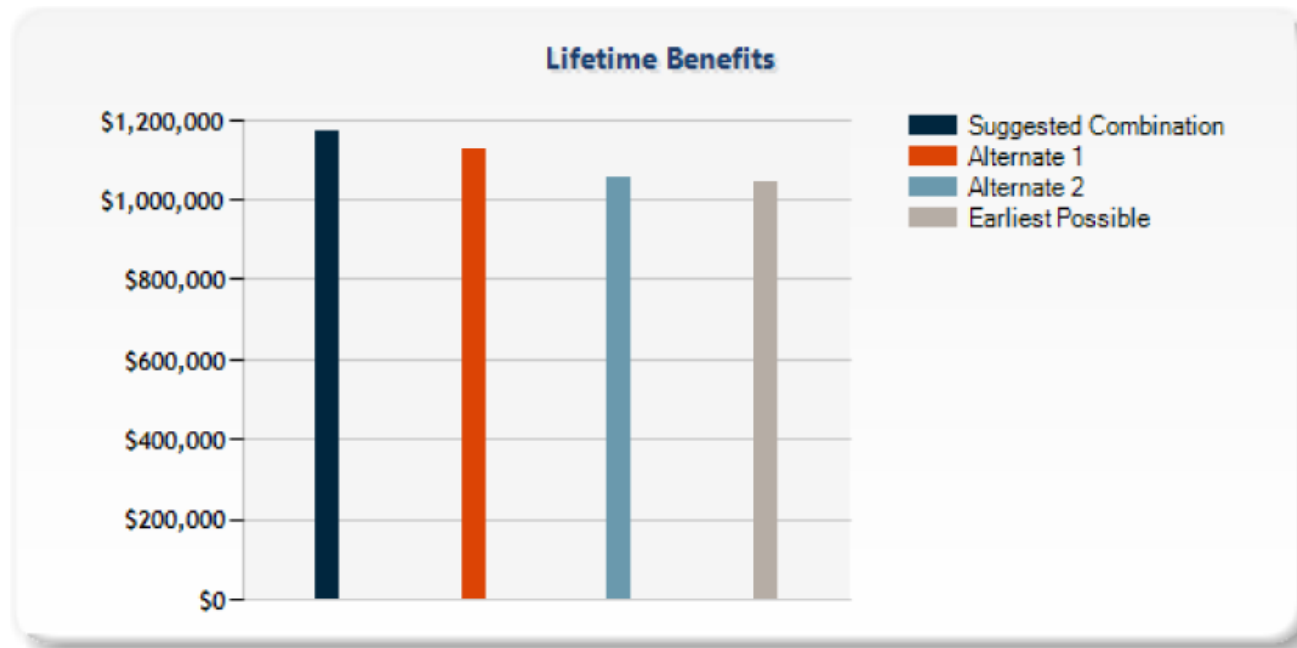
The information collected on this Social Security Report will be kept confidential and used to provide an overview of a client's potential Social Security benefit. Please keep in mind that the results of this report are for hypothetical purposes only and are not guaranteed.

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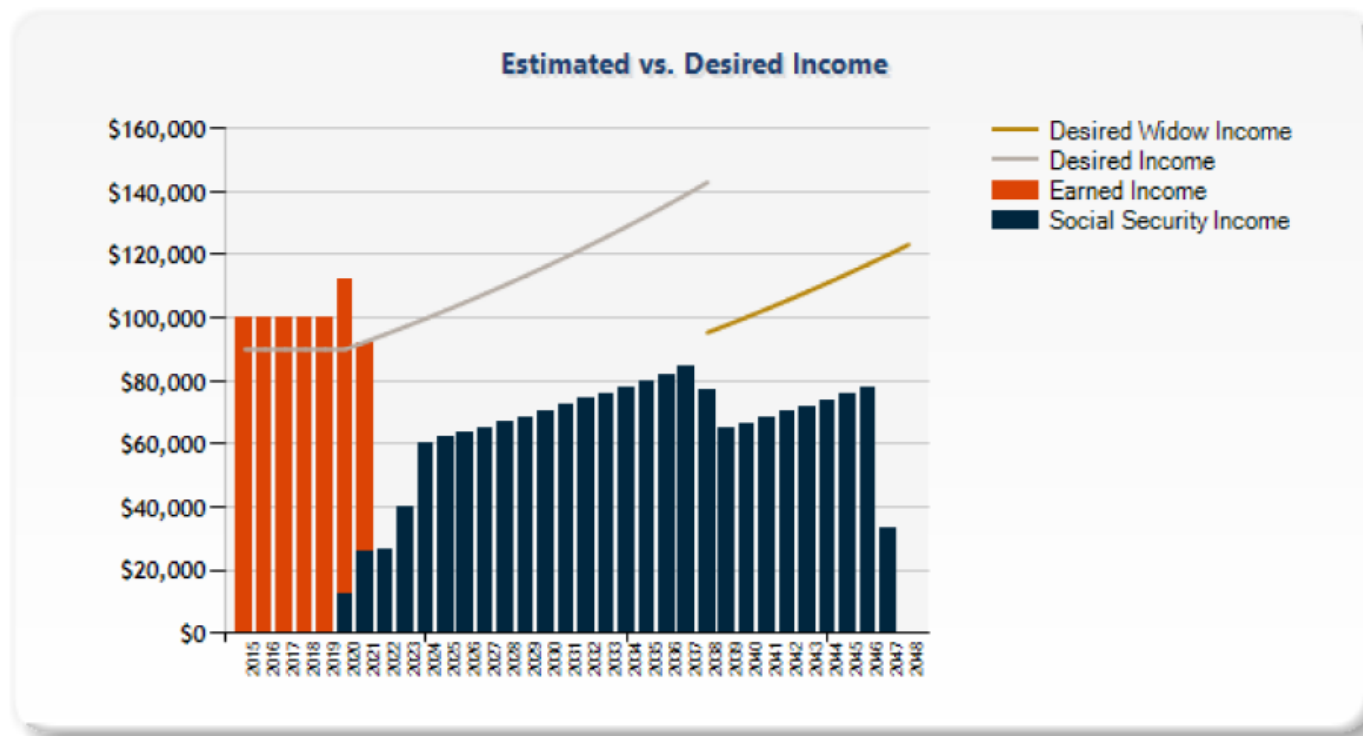
Compare filing strategies

The client's Social Security report shows cumulative benefits of an optimization strategy vs. early filing and alternative filing strategies



Identify income gaps

The report illustrates annual Social Security cash flow for the suggested filing strategy vs. projected retirement income needs.



Cash flow analysis helps identify income gaps

Jim and Linda both maximize their benefits.

After Jim passes away, Linda begins her survivor benefit.

Estimated Cashflows for you											
Mr					Ms					Gap	
Year	Age	Retirement	Spousal	Widow	Age	Retirement	Spousal	Widow	Retirement	Spousal	Gap
2034	81	\$56,988	\$0	\$0	76	\$20,976	\$0	\$0	\$56,988	\$0	(\$50,951)
2035	82	\$58,464	\$0	\$0	77	\$21,516	\$0	\$0	\$58,464	\$0	(\$52,287)
2036	83	\$59,988	\$0	\$0	78	\$22,080	\$0	\$0	\$59,988	\$0	(\$53,638)
2037	84	\$61,548	\$0	\$0	79	\$22,656	\$0	\$0	\$61,548	\$0	(\$55,030)
2038	85	\$36,834	\$0	\$0	80	\$13,559	\$0	\$26,310	\$76,703	\$0	(\$18,533)
2039	86	\$0	\$0	\$0	81	\$0	\$0	\$64,776	\$64,776	\$0	(\$32,936)
2040	87	\$0	\$0	\$0	82	\$0	\$0	\$66,468	\$66,468	\$0	(\$33,785)
2041	88	\$0	\$0	\$0	83	\$0	\$0	\$68,196	\$68,196	\$0	(\$34,663)
2042	89	\$0	\$0	\$0	84	\$0	\$0	\$69,960	\$69,960	\$0	(\$35,574)
2043	90	\$0	\$0	\$0	85	\$0	\$0	\$71,784	\$71,784	\$0	(\$36,494)
2044	91	\$0	\$0	\$0	86	\$0	\$0	\$73,644	\$73,644	\$0	(\$37,449)
		\$787,963	\$32,600	\$0		\$337,001	\$0	\$627,379	\$1,784,943	\$666,666	\$3,554,747 (\$1,103,138)

2042	89	\$0	\$0	\$0	84	\$0	\$0	\$69,960	\$69,960	\$0	\$105,534 (\$35,574)
2043	90	\$0	\$0	\$0	85	\$0	\$0	\$71,784	\$71,784	\$0	\$108,278 (\$36,494)
2044	91	\$0	\$0	\$0	86	\$0	\$0	\$73,644	\$73,644	\$0	\$111,093 (\$37,449)
		\$787,963	\$32,600	\$0		\$337,001	\$0	\$627,379	\$1,784,943	\$666,666	\$3,554,747 (\$1,103,138)

Helps gather relevant client information to prepare a filing strategy comparison

- Marital status
- Expected benefit amount
- Life expectancy
- Planned retirement date
- Desired retirement income
- Retirement goals, concerns, etc.

[illegible]

Social Security fact finder

About your spouse

First name:

Last name:

Gender: ☐ Male ☐ Female

Date of birth (mm/dd/yy): ____/____/____

Complete this form and return to the Participant Solutions Center:

INVESTNW@nationwide.com

Fax: 1-888-807-2140 • Phone: 1-866-975-6363

Statement date: ____/____/____

Your estimated monthly benefits at full retirement age: \$____

At what age do you plan to stop working? ____

If you're planning to work after 62, what is your anticipated annual employment income? \$____

At what age do you plan to stop working? ____

If you're planning to work after 62, what is your anticipated annual employment income? \$____

Three steps in Social Security planning

- Get a good understanding of the basics of Social Security
- Make an appointment to discuss your Social Security options
- Complete a Social Security fact finder in advance of the meeting